Group Selection

Priced as of June 24, 2019

Note: Group tickers incorporate hyperlinks to decile charts, and then a link to our Toolkit of the group members.

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets
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Sector View

Strength

Momentum

2013-06-24

Energy

Utilities

Materials

Industrials

CMR Disp

CMR Stap

Hlth Care

Financials

Info Tech

Comm Srv

Utilities

Real Estate

CMR Disp

Financials

Info Tech

Comm Srv

Utilities

Real Estate

Hyperlink

% Outperforming
US/GBL/CDA

Reward/Risk
US/GBL/CDA

Trend Psn
US/GBL/CDA

Energy

20% / 24% / 21%

/ / /

-5% / -6% / -6%

Materials

29% / 31% / 30%

/ / /

8% / 7% / 5%

Industrials

37% / 40% / 40%

/ / /

1% / 0% / -1%

CMR Disp

36% / 39% / 38%

/ / /

-5% / -7% / -7%

CMR Stap

38% / 43% / 40%

/ / /

-1% / -5% / -4%

Hlth Care

39% / 43% / 39%

/ / /

-3% / -5% / -4%

Financials

33% / 37% / 35%

/ / /

-4% / -5% / -6%

Info Tech

55% / 58% / 57%

/ / /

-7% / -9% / -10%

Comm Srv

37% / 41% / 37%

/ / /

-2% / -4% / -2%

Utilities

42% / 47% / 45%

/ / /

8% / 7% / 6%

Real Estate

49% / 56% / 52%

/ / /

-12% / -12% / -14%

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)

(a) % Outperforming - what percentage of sector members is outperforming the market,

(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),

(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.

The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details.
June 24, 2019

Energy

Mark Steele (416) 359-4641

Momentum

Strength

Int O&G
32 stocks; $181.3bn

OG Equip →
24 stocks; $79bn

OG Drill →
10 stocks; $17bn

OG StTr ↓
67 stocks; $625bn

OG StTr ↓
67 stocks; $625bn

OG RfMkt ↑
35 stocks; $455bn

OG E&P ↑
95 stocks; $721bn

Coal&Uran ↑
21 stocks; $83bn
**Consumer Staples**

- **Brewers**
  - 14 stocks, $466bn

- **Dist&Vnt**
  - 20 stocks, $569bn

- **PkgFdMt**
  - 127 stocks, $1430bn

- **SoftDrnks**
  - 19 stocks, $595bn

- **DrugRetail**
  - 6 stocks, $54bn

- **Tobacco**
  - 13 stocks, $472bn

- **AgriProd**
  - 28 stocks, $114bn

- **HhldPrdct**
  - 18 stocks, $641bn

- **SprCntrs**
  - 16 stocks, $574bn

- **PersPrdct**
  - 39 stocks, $547bn

- **FdDistri**
  - 11 stocks, $60bn

- **FdRetail**
  - 33 stocks, $348bn

- **HhldPrdct**
  - 18 stocks, $641bn

- **SprCntrs**
  - 16 stocks, $574bn

- **PersPrdct**
  - 39 stocks, $547bn

- **FdDistri**
  - 11 stocks, $60bn
### Information Technology

#### June 24, 2019

Mark Steele (416) 359-4641

<table>
<thead>
<tr>
<th>Sector</th>
<th>Stocks</th>
<th>Market Cap</th>
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<tbody>
<tr>
<td>Applic Swr</td>
<td>49</td>
<td>$1120bn</td>
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<tr>
<td>Semi</td>
<td>73</td>
<td>$1310bn</td>
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<tr>
<td>EMS</td>
<td>19</td>
<td>$143bn</td>
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<tr>
<td>Semi Eqp</td>
<td>42</td>
<td>$273bn</td>
</tr>
<tr>
<td>Inet Srv &amp; In</td>
<td>74</td>
<td>$133bn</td>
</tr>
<tr>
<td>Elec Comp</td>
<td>38</td>
<td>$273bn</td>
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<tr>
<td>Elec Instr</td>
<td>42</td>
<td>$308bn</td>
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<tr>
<td>Data Proc</td>
<td>48</td>
<td>$1269bn</td>
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<tr>
<td>Systm Swr</td>
<td>40</td>
<td>$1536bn</td>
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<tr>
<td>Tech Dist</td>
<td>14</td>
<td>$57bn</td>
</tr>
<tr>
<td>Com Equip</td>
<td>41</td>
<td>$448bn</td>
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<tr>
<td>IT Consult</td>
<td>49</td>
<td>$772bn</td>
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<tr>
<td>Hdwr St &amp; P</td>
<td>40</td>
<td>$1451bn</td>
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**Momentum**

**Strength**
Telecommunication Services

- **Momentum**
  - IntgTelSrv ➪ 55 stocks; $1330bn
  - WlsTelSrv ➪ 43 stocks; $940bn
  - AltCar ➪ 9 stocks; $35bn
  - Cabl&Sat ➪ 34 stocks; $419bn

- **Strength**
  - Publishing ➪ 14 stocks; $46bn
  - IntMeSer ➪ 43 stocks; $1495bn
  - Broadcast ➪ 26 stocks; $87bn
  - Mov&Ent ➪ 27 stocks; $561bn
  - Advert ➪ 17 stocks; $106bn
  - IntHmEnt ➪ 23 stocks; $247bn
<table>
<thead>
<tr>
<th>Sector</th>
<th># of Stocks</th>
<th>Market Cap (bn)</th>
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<tbody>
<tr>
<td>GasUtil</td>
<td>34</td>
<td>$258bn</td>
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<tr>
<td>ElecUtil</td>
<td>86</td>
<td>$1287bn</td>
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<tr>
<td>MultiUtil</td>
<td>35</td>
<td>$522bn</td>
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<td>IPPTrad</td>
<td>25</td>
<td>$135bn</td>
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<tr>
<td>RenewElec</td>
<td>25</td>
<td>$139bn</td>
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<tr>
<td>WaterUtil</td>
<td>24</td>
<td>$103bn</td>
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User Guide 1 - Definitions & Dataset

Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

Strength Decile Defined By
1. What percentage of a groups members are outperforming
2. How consistent that outperformance is
3. How the are members positioned (above/below) vs. their trend channels.

Momentum Decile
Rate of change of strength (change in 5-day moving average)

The Underlying Equity Relative Strength Analysis
Each day, for every equity we cover, our relative strength system assesses the best fit trend from a spectrum which covers a minimum trend duration of six months, and a maximum of 4-years. The "best fit" is the trend which maximizes duration, and minimizes deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
Our Goals:
- To buy outperforming stocks in favoured groups
- To avoid underperforming stocks in unfavoured groups
- To be alerted of and act on the changes

#1 Rule of Momentum: You can use it only if it exists

- In stable/trending markets, one can buy stocks with high strength and momentum and hold them as long as momentum does not turn negative (trend following).

- In very rotational markets (e.g., where credit, currency, commodity conditions are choppy/changing):
  - Buying high strength and high momentum may be dangerous (buying yesterday's winners).
  - One is better off buying stocks with moderate strength and high momentum (bottom fishing).
User Guide 3 - Buy/Hold/Sell

Buy

- Groups with high strength and high positive momentum (top left) - “In Favour”
- Groups with moderate strength and high positive momentum - “Transitioning to Positive”
- Groups with mediocre strength and high positive momentum - “Gaining Favour”

Buy/Hold

- Groups with high strength and neutral momentum (middle left) - “Maintaining Favour”

Sell

- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
<td>57.0%</td>
<td>52.8%</td>
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<td>Hold</td>
<td>Market Perform</td>
<td>53.2%</td>
<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</td>
<td>41.6%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>9.5%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>5.5%</td>
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* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.
** Reflects rating distribution of all companies from which BMO Capital Markets Corp. has received compensation for Investment Banking services as percentage within ratings category.
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Und = Underperform - Forecast to underperform the analyst’s coverage universe on a total return basis;
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(January 2010 - April 2013)

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